WHAT IS CLAIMED IS:

1. A method of communicating with a gaming machine, the gaming machine including a first wireless transceiver, the method comprising:

acquiring a portable data unit from a data unit provider, the portable data unit including a second wireless transceiver;

positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, to establish a wireless transmission link between the first and second wireless transceivers; and

transmitting information between the portable data unit and the gaming machine via the wireless transmission link.

10

5

- 2. The method of claim 1, wherein the transmitted information is selected from a group consisting of monetary information, player tracking information, player preferences, casino preferences, and machine data.
- 15 3. The method of claim 1, wherein the data unit provider is a gaming establishment.
 - 4. The method of claim 1, wherein the portable data unit is incorporated in a portable device selected from a group consisting of a card, a key, a portable telephone, a watch, a ring, a necklace, and a belt buckle.
 - 5. The method of claim 1, further including transferring the information between the gaming machine and a central host computer remote from the gaming machine.
- The method of claim 1, wherein the wireless transmission link is selected from a group consisting of a short range, radio link and an infrared link.
 - 7. The method of claim 6, wherein the first and second wireless transceivers are respective radio microchips.

- 8. The method of claim 7, wherein the radio microchips and the radio link conform to a Bluetooth standard.
- 9. The method of claim 1, further including authenticating the transmitted information.
 - 10. The method of claim 1, further including encrypting the transmitted information.
- 10 11. The method of claim 1, further including correcting errors in the transmitted information.
 - 12. The method of claim 1, wherein the transmitted information includes a personal identifier, and further including transmitting the personal identifier from the gaming machine to a central host computer, the central host computer being remote from and linked to the gaming machine.

20

- 13. The method of claim 12, further including transmitting centralized information from the central host computer to the gaming machine.
- 14. The method of claim 13, wherein the centralized information is selected from a group consisting of monetary information, award information, and game customization information.
- 25 15. The method of claim 14, wherein the monetary information includes an account balance in a player's account associated with the personal identifier.
 - 16. The method of claim 15, further including adding a number of credits to the gaming machine no greater than the account balance.
 - 17. The method of claim 14, wherein the game customization information adapts the gaming machine to at least one of player preferences and casino preferences.

- 18. The method of claim 12, wherein the personal identifier is associated with a player's account at the central host computer, and further including accessing account information in the player's account.
- 5 19. The method of claim 18, further including transmitting centralized information from the central host computer to the gaming machine, the transmitted centralized information being determined by the account information.
- 20. The method of claim 2, wherein the monetary information corresponds to a number of credits, and further including adding the number of credits to the gaming machine.
 - 21. The method of claim 2, wherein the player tracking information is selected from a group consisting of a personal identifier and game play data.
 - 22. The method of claim 1, wherein the step of positioning the portable data unit in proximity to the gaming machine includes positioning the portable data unit within a predetermined distance of the gaming machine for at least a predetermined period of time.

- 23. The method of claim 22, wherein the predetermined distance is no greater than about three feet.
- 24. The method of claim 22, wherein the predetermined period of time is at least five seconds.
 - 25. The method of claim 1, wherein the first transceiver is disposed proximate a front center portion of the gaming machine.
- The method of claim 25, wherein the first transceiver is disposed at a height proximate to a height of a waist of an average standing person.

27. A method of communicating with a gaming machine, the gaming machine including a first radio microchip, the method comprising:

providing a portable data unit including a second radio microchip;

in response to positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, establishing a short range, wireless radio link between the first and second radio microchips; and

transmitting information between the portable data unit and the gaming machine via the radio link.

10

5

- 28. The method of claim 27, wherein the transmitted information is selected from a group consisting of monetary information, player tracking information, player preferences, casino preferences, and machine data.
- 15 29. The method of claim 27, wherein the portable data unit is incorporated in a portable device selected from a group consisting of a card, a key, a portable telephone, a watch, a ring, a necklace, and a belt buckle.
- 30. The method of claim 27, further including transferring the information between the gaming machine and a central host computer remote from the gaming machine.
 - 31. The method of claim 30, further including transferring centralized information stored at the central host computer from the central host computer to the gaming machine.
 - 32. The method of claim 31, wherein the centralized information is determined at least in part by the information transferred from the gaming machine to the central host computer.

30

25

33. The method of claim 27, wherein the radio microchips and the radio link conform to a Bluetooth standard.

- 34. The method of claim 27, further including authenticating the transmitted information.
- 35. The method of claim 27, further including encrypting the transmitted information.
 - 36. The method of claim 27, further including correcting errors in the transmitted information.
- 10 37. A cashless gaming method, comprising:

25

30

providing a gaming machine including a first wireless transceiver;

providing a portable data unit including a second wireless transceiver and monetary information;

positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, to establish a wireless transmission link between the first and second wireless transceivers; and

transmitting the monetary information from the portable data unit to the gaming machine via the wireless transmission link.

- 20 38. The method of claim 37, further including adding a number of credits to the gaming machine based on the transmitted monetary information.
 - 39. A cashless gaming method, comprising: providing a gaming machine including a first wireless transceiver;

providing a portable data unit including a second wireless transceiver and a personal identifier;

positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, to establish a wireless transmission link between the first and second wireless transceivers;

transmitting the personal identifier from the portable data unit to the gaming machine via the wireless transmission link;

transmitting the personal identifier from the gaming machine to a central host computer remote from and linked to the gaming machine;

accessing monetary information from a player's monetary account at the central host computer, the player's account being associated with the personal identifier; and

transmitting the monetary information from the central host computer to the gaming machine.

- 40. The method of claim 39, further including adding a number of credits to the gaming machine based on the transmitted monetary information.
- 10 41. An arrangement for communicating with a gaming machine, comprising:
 - a first wireless transceiver mounted at the gaming machine;

15

- a portable data unit including a second wireless transceiver and carried by an individual; and
- a wireless transmission link established between the first and second wireless transceivers in response to positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, the wireless transmission link transmitting information between the portable data unit and the gaming machine.
- 42. The arrangement of claim 41, wherein the transmitted information is selected from a group consisting of monetary information, player tracking information, player preferences, casino preferences, and machine data.
- 43. The arrangement of claim 41, wherein the portable data unit is incorporated in a portable device selected from a group consisting of a card, a key, a portable telephone, a watch, a ring, a necklace, and a belt buckle.
 - 44. The arrangement of claim 41, further including means for transmitting the information between the gaming machine and a central host computer remote from the gaming machine.
 - 45. The arrangement of claim 41, wherein the wireless transmission link is selected from a group consisting of a short range, radio link and an infrared link.

- 46. The arrangement of claim 45, wherein the first and second wireless transceivers are respective radio microchips.
- The arrangement of claim 46, wherein the radio microchips and the radio link conform to a Bluetooth standard.
 - 48. The arrangement of claim 41, further including means for authenticating the transmitted information.
 - 49. The arrangement of claim 41, further including means for encrypting the transmitted information.

- 50. The arrangement of claim 41, further including means for correcting errors in the transmitted information.
 - 51. The arrangement of claim 41, wherein the transmitted information includes a personal identifier, and further including means for transmitting the personal identifier from the gaming machine to a central host computer, the central host computer being remote from and linked to the gaming machine.
 - 52. The arrangement of claim 51, further including means for transmitting centralized information from the central host computer to the gaming machine.
- 53. The arrangement of claim 52, wherein the centralized information is selected from a group consisting of monetary information, award information, and game customization information.
- 54. The arrangement of claim 53, wherein the monetary information includes an account balance in a player's account associated with the personal identifier.

- 55. The arrangement of claim 53, wherein the game customization information adapts the gaming machine to at least one of player preferences and casino preferences.
- 56. The arrangement of claim 51, wherein the personal identifier is associated with a player's account at the central host computer.
 - 57. The arrangement of claim 56, further including means for transmitting centralized information from the central host computer to the gaming machine, the transmitted centralized information being determined by account information accessed from the player's account.

- 58. The arrangement of claim 42, wherein the monetary information corresponds to a number of credits, and further including means for adding the number of credits to the gaming machine.
- 59. The arrangement of claim 42, wherein the player tracking information is selected from a group consisting of a personal identifier and game play data.
- 60. The arrangement of claim 41, wherein the wireless transmission link is established between the first and second wireless transceivers in response to positioning the portable data unit within a predetermined distance of the gaming machine for at least a predetermined period of time.
- 61. The arrangement of claim 60, wherein the predetermined distance is no greater than about three feet.
 - 62. The arrangement of claim 60, wherein the predetermined period of time is at least five seconds.
- The arrangement of claim 41, wherein the first transceiver is disposed proximate a front center portion of the gaming machine.

- 64. The arrangement of claim 63, wherein the first transceiver is disposed at a height proximate to a height of a waist of an average standing person.
- 65. An arrangement for communicating with a gaming machine, comprising:
 - a first radio microchip mounted at the gaming machine;
- a portable data unit including a second radio microchip and carried by an individual; and
- a short range, wireless radio link established between the first and second radio microchips in response to positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, the radio link transmitting information between the portable data unit and the gaming machine.
- 66. A cashless gaming system, comprising:

10

15

20

- a gaming machine including a first wireless transceiver;
- a portable data unit including a second wireless transceiver and monetary information; and
- a wireless transmission link established between the first and second wireless transceivers in response to positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, the wireless transmission link transmitting the monetary information from the portable data unit to the gaming machine.
- 67. The system of claim 66, further including means for adding a number of credits to the gaming machine based on the transmitted monetary information.
 - 68. A cashless gaming system, comprising:
 - a gaming machine including a first wireless transceiver;
 - a portable data unit including a second wireless transceiver and a personal identifier;
 - a wireless transmission link established between the first and second wireless transceivers in response to positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the

gaming machine, the wireless transmission link transmitting the personal identifier from the portable data unit to the gaming machine; and

a central host computer remote from and linked to the gaming machine, the central host computer receiving the personal identifier from the gaming machine, accessing monetary information from a player's monetary account associated with the personal identifier, and transmitting the monetary information to the gaming machine.

- 69. The system of claim 68, further including means for adding a number of credits to the gaming machine based on the transmitted monetary information.
- 70. A method of playing a gaming machine, the gaming machine including a first transceiver, the method comprising:

carrying a portable data unit including a second transceiver;

positioning the portable data unit in proximity to the gaming machine, without inserting the portable data unit into any portion of the gaming machine, to establish a wireless transmission link between the first and second transceivers;

transmitting information between the portable data unit and the gaming machine via the wireless transmission link; and

playing a game on the gaming machine using the transmitted information.

20

25

10

15

- 71. The method of claim 70, wherein the wireless transmission link is selected from a group consisting of a radio link and an infrared link.
- 72. The method of claim 70, wherein the step of playing a game includes receiving a wager, randomly selecting a game outcome from a plurality of possible outcomes, and awarding a payoff if the selected game outcome matches predetermined criteria.
 - 73. The method of claim 72, wherein the step of receiving a wager is accomplished using the transmitted information.

30

74. The method of claim 70, wherein the step of positioning the portable data unit in proximity to the gaming machine includes standing or sitting in front of the gaming machine.